# WORLD COPPER LTD.

(formerly Wealth Copper Ltd.)

**(An Exploration Stage Company)**

## Consolidated Financial Statements

## For the years ended December 31, 2020 and 2019

**Expressed in Canadian Dollars**

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(An Exploration Stage Company)
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(Expressed in Canadian Dollars)
December 31, 2020 and 2019

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Smythe CPA

# INDEPENDENT AUDITORS' REPORT

## TO THE SHAREHOLDERS OF WORLD COPPER LTD.
## (Formerly Wealth Copper Ltd.)

### *Opinion*
We have audited the consolidated financial statements of World Copper Ltd. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred an operating loss of $1,969,763 for the year ended December 31, 2020, the Company is currently unable to self-finance operations, has limited resources, no source of operating cash flow, and no assurances that sufficient funding will be available to conduct further exploration and development of its exploration and evaluation assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 28, 2021

**WORLD COPPER LTD.** (formerly Wealth Copper Ltd.)
Consolidated Statements of Financial Position
As at December 31, 2020 and December 31, 2019
(Expressed in Canadian Dollars)

| | Notes | | December 31, 2020 | | December 31, 2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current** | | | | | |
| Cash | | $ | 330,655 | $ | 166,712 |
| Receivables | | | 34,555 | | 9,961 |
| Prepaids | | | 13,000 | | - |
| | | | 378,210 | | 176,673 |
| Exploration and evaluation assets | 5 | | 4,446,720 | | 4,053,019 |
| **Total Assets** | | $ | **4,824,930** | $ | **4,229,692** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| **Current** | | | | | |
| Accounts payable and accrued liabilities | 7 | $ | 752,148 | $ | 283,083 |
| Loans payable | 4, 7 | | - | | 150,000 |
| Due to Gold Springs Resource Corp. | 4 | | 421,658 | | 921,658 |
| Due to Wealth Minerals | 7 | | 69,224 | | 217,741 |
| | | | 1,243,030 | | 1,572,482 |
| **Non-Current** | | | | | |
| Due to Gold Springs Resource Corp. | 4 | | 500,000 | | - |
| | | | 1,743,030 | | 1,572,482 |
| **Shareholders' Equity** | | | | | |
| Capital stock | 6 | | 5,640,240 | | 3,339,001 |
| Equity portion of compound instruments | 7 | | 24,746 | | - |
| Contributed surplus | 6 | | 68,468 | | - |
| Deficit | | | (2,651,554) | | (681,791) |
| | | | 3,081,900 | | 2,657,210 |
| **Total Liabilities and Shareholder's Equity** | | $ | **4,824,930** | $ | **4,229,692** |

Subsequent events (Note 13)

**On behalf of the Board:**

(Signed) *"Hendrik Van Alphen"*
Hendrik Van Alphen, Director

(Signed) *"Matias Herrero"*
Matias Herrero, Director

The accompanying notes are an integral part of these consolidated financial statements.

**WORLD COPPER LTD.** (formerly Wealth Copper Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

| | Notes | | December 31, 2020 | | December 31, 2019 |
|---|---|---|---|---|---|
| **EXPENSES** | | | | | |
| Consulting fees | 7 | $ | 495,610 | $ | 183,566 |
| Exploration and evaluation | 5 | | 359,663 | | 97,023 |
| Accretion | 7 | | 24,746 | | - |
| Foreign exchange gain | | | (22,280) | | 20,528 |
| Office and miscellaneous | | | 147,873 | | 25,222 |
| Professional fees | | | 748,499 | | 282,991 |
| Rent | | | 28,299 | | 4,226 |
| Shareholder communications | | | 111,650 | | 45,956 |
| Transfer agent and regulatory fees | | | 46,737 | | 11,311 |
| Travel | | | 28,966 | | 10,968 |
| **Loss and comprehensive loss for the year** | | $ | (1,969,763) | $ | (681,791) |
| **Basic and diluted loss per common share** | | $ | (0.03) | $ | (0.03) |
| **Weighted average number of common shares outstanding** | | | 68,854,807 | | 23,187,867 |

The accompanying notes are an integral part of these consolidated financial statements.

**WORLD COPPER LTD.** (formerly Wealth Copper Ltd.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

| | Number of Shares | Capital Stock | Contributed Surplus | Equity Portion of Compound Instruments | Deficit | Total Shareholders' Equity |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2018** | **1** | **$ 1** | **$ -** | **$ -** | **$ -** | **$ 1** |
| Subdivision of shares | 24,999,999 | - | - | - | - | - |
| Shares issued – acquisition of TMI Group | 25,000,000 | 2,500,000 | - | - | - | 2,500,000 |
| Shares issued – acquisition of mineral properties | 500,000 | 25,000 | - | - | - | 25,000 |
| Shares issued – private placement | 8,140,000 | 814,000 | - | - | - | 814,000 |
| Loss for the year | - | - | - | - | (681,791) | (681,791) |
| **Balance, December 31, 2019** | **58,640,000** | **$ 3,339,001** | **$ -** | **$ -** | **$ (681,791)** | **$ 2,657,210** |
| Shares issued – private placement | 23,737,655 | 2,373,765 | - | - | - | 2,373,765 |
| Shares issued – settlement of loan | 1,500,000 | 150,000 | - | - | - | 150,000 |
| Share issue costs – paid in cash | - | (154,057) | - | - | - | (154,057) |
| Finder fee warrants – on private placements | - | (68,468) | 68,468 | - | - | - |
| Compound instruments equity warrants | - | - | - | 24,746 | - | 24,746 |
| Loss for the year | - | - | - | - | (1,969,763) | (1,969,763) |
| **Balance, December 31, 2020** | **83,877,655** | **$ 5,640,240** | **$ 68,468** | **$ 24,746** | **$ (2,651,554)** | **$ 3,081,900** |

The accompanying notes are an integral part of these consolidated financial statements.

**WORLD COPPER LTD.** (formerly Wealth Copper Ltd.)
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss for the year | $ (1,969,763) | $ (681,791) |
| Item not affecting cash: | | |
| Accretion | 24,746 | - |
| Changes in non-cash working capital items: | | |
| Receivables | (24,594) | (9,961) |
| Prepaids | (13,000) | (2,329) |
| Accounts payable and accrued liabilities | 482,379 | 230,764 |
| Net cash used in operating activities | (1,500,232) | (463,317) |
| **CASH FLOWS FROM INVESTING ACTIVITY** | | |
| Net cash payments on acquisition of TMI Group | - | (70,052) |
| Exploration and evaluation assets | (393,701) | - |
| Net cash used in investing activity | (393,701) | (70,052) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Related party loan received | 170,000 | - |
| Related party loan repaid | (170,000) | - |
| Due to Wealth Minerals | (161,832) | (113,920) |
| Proceeds from issuance of shares | 2,373,765 | 814,000 |
| Share issue costs | (154,057) | - |
| Net cash provided by financing activities | 2,057,876 | 700,080 |
| **Change in cash for the year** | 163,943 | 166,711 |
| **Cash, beginning of year** | 166,712 | 1 |
| **Cash, end of year** | $ 330,655 | $ 166,712 |

Significant non-cash financing and investing transactions during the year ended December 31, 2020 included:

- Issued 1,700,000 warrants valued at $24,746 as the equity portion of a compound instrument (see Note 7).
- Issued 1,092,000 warrants valued at $68,468 as finder's fees (see Note 6 (ii)).
- Loan payable of $150,000 settled with units (Note 6 (iii)).
- Reclassified $13,315 from accounts payable to due to Wealth Minerals

Significant non-cash financing and investing transactions during the year ended December 31, 2019 included:

- Shares issued for TMI Group and exploration and evaluation assets of $2,525,000.
- Due to Gold Springs Resources Corp. for acquisition costs of $921,658.
- Due to third party for TriMetals deposit of $150,000.
- Due to Wealth Minerals of $66,547 relating to exploration and evaluation costs.

The accompanying notes are an integral part of these consolidated financial statements.

## 1. NATURE OF OPERATIONS AND GOING CONCERN

World Copper Ltd. was incorporated under the Business Corporations Act (British Columbia) on December 3, 2018. On July 16, 2020, the Company changed its name from Wealth Copper Ltd. to World Copper Ltd. (the "Company", "World Copper").

On January 12, 2021 the Company completed a name change from World Copper Ltd. to 1188893 B.C. Ltd in conjunction with the closing of the Company's qualifying transaction with Allante Resources Ltd. ("Allante"). For accounting purposes, the Company is deemed to be the acquirer in the qualifying transaction. On January 12, 2021, Allante changed its name to World Copper Ltd. and following the closing of the transaction, the Company changed its name to World Copper Ltd. (Note 12).

The Company is an exploration stage junior mining company currently engaged in the identification, acquisition and exploration of mineral resources in Chile. The Company's head office and records office are located at #2710 - 200 Granville St., Vancouver, British Columbia, V6C 1S4, Canada.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Several adverse conditions cast significant doubt on the validity of this assumption. The Company incurred an operating loss of $1,969,763 during the year ended December 31, 2020 (2019 - $681,791). The Company is currently unable to self-finance operations, has limited resources, has no source of operating cash flow, and has no assurances that sufficient funding will be available to conduct further exploration and development of its exploration and evaluation assets and to maintain operations.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors, including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may result from the inability to secure future financing, and therefore be unable to continue as a going concern. Such a situation would have a material adverse effect on the Company's business, financial performance and financial condition. Such adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these development and the impact on the financial results and condition of the Company in future periods.

## 2. BASIS OF PRESENTATION

### a) Basis of presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2020. The Board of Directors approved these consolidated financial statements for issue on April 28, 2021.

## 2. BASIS OF PRESENTATION (Continued)

### a) Basis of presentation (Continued)

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

### c) Principles of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the accounts of the Company and its subsidiaries listed in the following table:

| | Country of Incorporation | Principal Activity | Effective interest at December 31, 2020 | Effective interest at December 31, 2019 |
|---|---|---|---|---|
| SASC Metallurgy Corp. (“SASC”) | Canada | Mineral exploration | 100% | 100% |
| Escalones Copper Corp. (“Escalones”) | Canada | Mineral exploration | 100% | 100% |
| TriMetals Mining Chile SCM (“TriMetals”) | Chile | Mineral exploration | 100% | 100% |
| Wealth Copper Chile S.p.A | Chile | Mineral exploration | 100% | 100% |

The consolidated financial statements include the accounts of SASC, Escalones, and TriMetals from the acquisition date on September 25, 2019, and Wealth Copper Chile from the acquisition date on July 23, 2019.

### d) Critical estimates, judgments and assumptions

The preparation of the Company’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

**2. BASIS OF PRESENTATION** (Continued)

**d) Critical estimates, judgments and assumptions** (Continued)

**Critical accounting estimates**

Critical accounting estimates are estimates made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Acquisition of SASC, Escalones and TriMetals (collectively "TMI group")

The Company's acquisition of TMI Group has been determined to be an asset acquisition as TMI Group does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of TMI Group has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on their relative values.

**Significant Judgments**

The preparation of consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the consolidated financial statements.

**Going concern**

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

**Exploration and evaluation assets impairment**

At the end of each reporting period, the Company assesses each of its exploration and evaluation assets or cash-generating units ("CGUs") to determine whether any indication of impairment exists. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted or planned, and results of exploration and evaluation activities on the exploration and evaluation assets. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

**Functional currency determination**

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries is the Canadian dollar, based on management's assessment of whether a specific subsidiary is a standalone operation or integrated with the operations of the parent company. Should management's judgment about the nature of a subsidiary differ from its actual nature, a material difference in the cumulative translation adjustment and/or foreign exchange gain could result.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### a) Exploration and evaluation assets

All of the Company's projects are currently in the exploration and evaluation phase. Pre-exploration costs are expensed in the period in which they are incurred. Acquisition costs include cash consideration and the fair value of common shares and are capitalized as exploration and evaluation assets, and exploration and evaluation expenditures are expensed as incurred. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects for the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation asset costs, in excess of estimated recoveries, are written off to profit or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property or CGU is tested for impairment, and then is considered to be a mine under development and the capitalized costs associated with that mine are reclassified from exploration and evaluation assets to property, plant and equipment as mines under construction.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

### b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less from the date of purchase, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value.

### c) Impairment of non-current assets

Non-current assets are evaluated at each reporting date by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash-generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

In calculating recoverable amount, if applicable, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement.

Discounted cash flow techniques often require management to make estimates and assumptions, which if incorrect, could result in a material difference in the consolidated financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### c) Impairment of non-current assets (Continued)

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

### d) Foreign currency translation

The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss).

### e) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the equity instruments issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### f) Earnings or loss per share

Basic earnings or loss per share is calculated on the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period. In the Company's case when it incurs a net loss for the period, diluted loss per share presented is the same as basic loss per share, as the effect of outstanding options and warrants in the diluted loss per common share calculation would be anti-dilutive.

### g) Capital stock

The proceeds from the issuance of common shares and exercise of stock options and warrants are recorded as share capital. The Company's shares are classified as equity instruments. Share issue costs on the issue of the Company's shares are charged directly to share capital.

**Valuation of warrants**

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units or debt agreements. The residual value method first allocates value to common shares issued in the private placements at their fair value, as determined by the last trading price on the closing date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded in shareholders' equity. For warrants issued as part of debt agreements, the residual method first allocates value to the debt component at its fair value, as determined using a discounted cash flow analysis. The balance, if any, is allocated to the warrants.

### h) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in income (loss), except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### i) Financial instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assessment and decision on the business model approach used is an accounting judgement.

*Financial assets measured at amortized costs*

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at FVTOCI is recognized initially at fair value plus transaction costs. For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVTOCI, with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Fair value changes are recognized in OCI while dividends are recognized in profit or loss. The Company does not have any financial assets designated as FVTOCI.

*Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset measured at FVTPL is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

*Impairment*

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses ("ECL") and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### i) Financial instruments (Continued)

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

As at December 31, 2020, the Company's financial instruments are comprised of cash, receivables, accounts payable and accrued liabilities, amounts due to Gold Springs Resources Corp. and Wealth Minerals, and loans payable.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability are not based on observable market data.

### j) New standards and interpretations not yet effective

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

*IFRS 17 Insurance Contracts*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

Effective for the Company's annual period beginning January 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

(Expressed in Canadian Dollars)

## 4. ACQUISITION OF TMI GROUP

On September 25, 2019, the Company acquired 100% of the common shares of the SASC Metallurgy Corp., Escalones Copper Corp. and TriMetals Mining Chile SCM, (collectively the "TMI Group") which included a 100% interest in the Escalones property from Gold Springs Resource Corp. (formerly TriMetals Mining Inc.) ("Gold Springs") (Canada). As consideration, the Company issued (i) 25,000,000 common shares valued at $2,500,000, (ii) granted to Escalones Resource Corp. ("ERC") a 2% net smelter returns royalty on the Escalones exploration concessions (which is in addition to an existing 2% net smelter returns royalty on the Escalones exploitation concessions), (iii) paid $150,000, and (iv) is required to pay ERC $350,000 upon closing of a private placement that is concurrent with a going public transaction and pay $500,000 on the first anniversary of that financing. As part of the transaction, Wealth Copper incurred transaction costs of $150,000 and agreed to reimburse Gold Springs for the Escalones Property annual concession fees of US$54,000 ($71,658). The following table summarizes the obligations outstanding as at December 31, 2020:

| | | Obligations |
|---|---|---|
| Payment due upon closing of concurrent financing[(1)] | $ | 350,000 |
| Reimbursement owed for annual concession fees[(1)] | | 71,658 |
| Current Obligations | $ | 421,658 |
| Payment due upon first anniversary of closing of concurrent financing | $ | 500,000 |
| Total Obligations | $ | 921,658 |

(1) Paid subsequent to December 31, 2020

Gold Springs is also guaranteed that it's holdings of the Company shall not be less than 30% of the issued and outstanding shares of the Company following the closing of the qualifying transaction with Allante (Note 12). Additionally, Gold Springs is also given pre-emptive right to participate in future equity financings to allow Gold Spring to maintain its pro-rata interest.

The transaction does not constitute a business combination as the TMI Group does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of the TMI Group has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing of the transaction, TMI Group became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

| Purchase Price | | |
|---|---|---|
| Issuance of 25,000,000 shares | $ | 2,500,000 |
| Cash reimbursement payable to Escalones Resources Corp. | | 71,658 |
| Payable to Escalones Resources Corp. | | 850,000 |
| Loan payable to third party | | 150,000 |
| Transaction costs | | 150,000 |
| Total Purchase Price | $ | 3,721,658 |

| Purchase Price Allocation | | |
|---|---|---|
| Cash | $ | 79,948 |
| Prepaids | | 2,328 |
| Exploration and evaluation assets | | 3,967,972 |
| Accounts payable | | (52,319) |
| Loan payable | | (276,271) |
| Total Purchase Price Allocation | $ | 3,721,658 |

The fair value of the 25,000,000 common shares of the Company was determined to be $0.10 per common share, based on the concurrent private placement in September 2019.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

| | Escalones Property, Chile | Cristal Property, Chile | Total |
|---|---|---|---|
| **Acquisition costs capitalized** | | | |
| Balance, December 31, 2018 | $ - | $ - | $ - |
| Acquisition | 3,967,972 | - | 3,967,972 |
| Additions | - | 85,047 | 85,047 |
| **Balance, December 31, 2019** | **3,967,972** | **85,047** | **4,053,019** |
| Additions | 261,801 | 131,900 | 393,701 |
| **Balance, December 31, 2020** | **$ 4,229,773** | **$ 216,947** | **$ 4,446,720** |
| | | | |
| **Exploration and evaluation expenses** | | | |
| Consulting | $ 97,023 | $ - | $ 97,023 |
| **Year ended December 31, 2019** | **$ 97,023** | **$ -** | **$ 97,023** |
| | | | |
| Consulting | $ 125,923 | $ - | $ 125,923 |
| Geochemical | 54,906 | - | 54,906 |
| Geological | 164,428 | - | 164,428 |
| Maps & Data | 10,570 | | 10,570 |
| Roads & Trenches | 3,836 | - | 3,836 |
| **Year ended December 31, 2020** | **$ 359,663** | **$ -** | **$ 359,663** |

### Escalones Property, Chile

During the year ended December 31, 2019, the Company became party to an option agreement for the Escalones property (Note 4). During the year ended December 31, 2019, prior to the acquisition of TMI Group (Note 4), the Company had issued 500,000 common shares (Note 6) and made payments in the amount of USD$200,000 to the underlying property owner. The remaining payments required to earn a 100% interest in the Escalones property are as follows:

i) paying USD$60,000 on or before June 30, 2020 (paid);
ii) paying USD$140,000 on or before December 31, 2020 (paid);
iii) paying USD$300,000 on or before June 30, 2021;
iv) paying USD$500,000 on or before June 30, 2022;
v) paying USD$500,000 on or before June 30, 2023;
vi) paying USD$3,000,000 on or before June 30, 2024.

The Company has granted a 2% net smelter returns royalty (“NSR”) to the underlying Escalones Property owner.

### Cristal Property, Chile

During the year ended December 31, 2019, the Company entered into an assignment and assumption agreement (the “Assignment Agreement”) with New Energy Metals Corp. (“Vendor”) whereby the Company obtained the right, title, benefit, and interest in and to an option agreement in respect of the Cristal property. As consideration for the assignment, Wealth issued 50,000 Wealth common shares with a fair value of $18,500. To date, the Company has made cash payments of USD$150,000 towards the option.

## 5. EXPLORATION AND EVALUATION ASSETS (Continued)

**Cristal Property, Chile** (Continued)

World Copper is required to make the remaining payments outlined below to exercise the option in full:

i) paying USD $50,000 upon the earlier of the commencement of drilling and December 31, 2019 (paid).
ii) paying USD $150,000 on or before five days after the first anniversary of closing the Allante transaction (USD$100,000 paid).
iii) paying USD $500,000 on or before second anniversary of closing.
iv) paying USD $700,000 on or before third anniversary of closing.
v) paying USD $3,000,000 on or before fourth anniversary of closing.

The underlying Cristal Property owner retains a 3% NSR royalty, of which 2% can be repurchased by paying US$2,000,000 for each percentage point of the NSR royalty bought back (aggregate USD $4,000,000 for 2% NSR royalty). In addition, there is also an existing 1% NSR royalty in favour of Condor Resources Inc. that can be repurchased in its entirety upon a payment of USD $1,000,000.

The Assignment Agreement provides that if World Copper exercises the Cristal Option, then the Company and the Vendor will be deemed to have formed a joint venture (the "Joint Venture") for the continued exploration of the Cristal Project, with the initial participating interests of the Joint Venture participants being Wealth Copper Chile – 70% and the Vendor – 30%. Assuming the formation of the Joint Venture, a 2% NSR royalty will be granted to a participant in the Joint Venture if its participating interest therein falls to 10% or less (the "JV Royalty"), provided that one-half (1%) of the JV Royalty can be purchased by the other party for USD$1,000,000.

## 6. CAPITAL STOCK

**Authorized share capital**

Unlimited number of common shares without par value.

**Issued share capital**

During the year ended December 31, 2020, the Company.
i) issued 1,858,655 units at $0.10 per unit for gross proceeds of $185,865. Each unit consisted of a common share and warrant exercisable into a common share at a price of $0.20 for 5 years. The Company paid $11,073 in finder's fees.
ii) issued 21,879,000 units at $0.10 per unit for gross proceeds of $2,187,900. Each unit consisted of a common share and warrant exercisable into a common share at a price of $0.20 for 5 years. The Company paid finder's fees by issuing 1,092,000 finder's warrants with a 2-year term exercisable at $0.10 valued at $68,468 and cash in the amount of $124,880. The Company also paid other cash share issue costs in the amount of $17,104.
iii) issued 1,500,000 units at $0.10 per unit to settle a loan payable of $150,000. Each unit consisted of a common share and warrant exercisable into a common share at a price of $0.20 for 5 years. Share issue costs of $1,000 was paid on the issuance of shares.

During the year ended December 31, 2019, the Company:
iv) issued 8,140,000 common shares at $0.10 per share for gross proceeds of $814,000 by the way of a private placement.
v) issued 500,000 common shares at $0.05 per share for a total fair value of $25,000 to the underlying property owner of the Escalones property (Note 5).
vi) issued 25,000,000 common shares at $0.10 per share for a total fair value of $2,500,000 towards the acquisition of TMI Group (Note 4).

(Expressed in Canadian Dollars)

## 6. CAPITAL STOCK (Continued)

**Warrants Continuity Schedule**

| Warrants | Number of warrants | Average remaining years outstanding | Weighted average exercise price |
|---|---|---|---|
| Balance at December 31, 2019: | | | |
| Granted – expiring June 26, 2021 (1) | 1,700,000 | 0.49 | $ 0.10 |
| Granted – expiring July 27, 2022 (2) | 1,092,000 | 1.57 | 0.10 |
| Granted – expiring July 27, 2025 | 21,879,000 | 4.57 | 0.20 |
| Granted – expiring September 15, 2025 | 1,500,000 | 4.71 | 0.20 |
| Granted – expiring October 15, 2025 | 1,858,655 | 4.79 | 0.20 |
| Balance at December 31, 2020 | 28,029,655 | 4.23 | $ 0.19 |

(1) The original expiry date of June 26, 2022 has been reduced under TSX-V policy 5.1 section 2.2 (e) where the expiry date has been limited to one year as the loan was repaid within 12 months of receiving the loan proceeds. These bonus warrants were issued to a director and former CEO of the Company (see Note 7)
(2) Finder's warrants

The finder's warrants issued during the year ended December 31, 2020 were valued using the Black Scholes option pricing model with the following weighted average assumptions:

| | Year ended December 31, 2020 |
|---|---|
| Risk-free interest rate average | 1.00% |
| Expected life of options | 2.00 years |
| Expected annualized volatility | 176.78% |
| Expected dividend rate | 0.00% |

## 7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. The transactions with related parties were in the normal course of operations and were measured at the fair value.

Key management personnel compensation during the years December 31, 2020 and 2019 was as follows:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Management fees, included in consulting fees | $ 297,476 | $ 138,109 |

(Expressed in Canadian Dollars)

## 7. **RELATED PARTY TRANSACTIONS** (continued)

The amounts due to the related parties are as follows:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Included in accounts payable and accrued liabilities: | | |
| Due to a director and former CEO | $ 2,505 | $ 734 |
| Due to the former CFO | - | 4,147 |
| Due to the President and CEO | 163,444 | 39,807 |
| Due to the corporate secretary | 16,998 | 8,134 |
| Due to Wealth Minerals | 69,224 | 217,741 |
| | $ 252,171 | $ 270,563 |

The amounts owing above and due to Wealth Minerals are unsecured, non-interest bearing and have no fixed term for repayment.

During the year ended December 31, 2020, the Company entered into a loan agreement with a director and former CEO whereby the Company received a loan of $170,000 repayable by December 26, 2021 with an interest of 8% per annum compounded annually. The Company repaid the loan on July 29, 2020. The Company also issued 1,700,000 bonus warrants exercisable into common shares at a price of $0.10 until June 26, 2022. For accounting purposes, the loan noted above is a compound instrument and was allocated into corresponding debt and equity components at the date of issue. The Company bifurcated the notes into their components using a discounted cash flow model with a discount rate of 20% to estimate the fair value of the liability component of $145,254 with the remaining balance of $24,746 representing the equity component. The loan was fully accreted to its principal value upon repayment.

## 8. **CAPITAL MANAGEMENT**

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

The Company currently has no source of revenues; as such, the Company is dependent upon external financings or the sale of assets (or an interest therein) to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach during the year ended December 31, 2020.

## 9. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's accounts payable and accrued liabilities, loans payable and due to Wealth Minerals approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement.

*Credit risk*
Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in a major financial institution. As at December 31, 2020, the Company had cash of $330,655 (2019 - $166,712).

*Liquidity risk*
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2020, the Company had a cash balance of $330,655 (2019 - $166,712) to settle current liabilities of $1,243,030 (2019 - $1,572,482). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

*Market risk*
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company is not exposed to any significant market risk at December 31, 2020.

*Foreign currency risk*
Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

*Fair value*

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short-term maturity of the instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

## 10. SEGMENTED INFORMATION

The Company has one operating segment, being the mineral resource industry with assets in Chile.

(Expressed in Canadian Dollars)

## 11. INCOME TAXES

A reconciliation of income taxes by applying the Canadian statutory income tax rate of 27% (2019 – 27%) to the consolidated loss is as follows:

| | For the year ended December 31, 2020 | For the year ended December 31, 2019 |
|---|---|---|
| Loss for the year | $ (1,969,763) | $ (681,791) |
| Income tax recovery at Canadian statutory rate | (531,836) | (184,084) |
| Non-deductible items | (4,881) | - |
| Effects of change in tax rates | - | (381,062) |
| Other temporary differences | (41,059) | - |
| Impact of foreign exchange on tax assets and liabilities | 45,238 | (108,038) |
| Unused tax losses and tax offsets not recognized | 532,538 | 673,184 |
| Income tax recovery | $ - | $ - |

The significant components of the Company's deferred tax assets and liabilities are as follows that have not been included on the consolidated statement of financial position as follows:

| | As at December 31, 2020 | As at December 31, 2019 |
|---|---|---|
| Non-capital losses | $ 4,313,567 | $ 2,464,441 |
| Share issue costs | 123,244 | - |
| Unrecognized deferred tax asset | $ 4,436,811 | $ 2,464,441 |

The Company has non-capital loss carry-forwards of approximately $4,314,000 (2019 - $2,464,000), which may be available to reduce taxable income in future years. The potential tax benefits of these losses has not been recognized as a deferred tax benefit, as currently it is not probable that such a benefit will be utilized in the foreseeable future. Unless utilized, these losses will expire in 2040.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## 12. SHARE EXCHANGE AGREEMENT

During the year ended December 31, 2019, the Company entered into a letter agreement with Allante Resources Ltd. ("Allante") dated June 7, 2019, whereby Allante will acquire all of the issued and outstanding World Copper common shares and continue the business of World Copper in exchange for the issuance of common shares in the capital of Allante on a one for one basis. The transaction will constitute Allante's qualifying transaction as a Capital Pool Company, as defined by the TSX-V. During the year ended December 31, 2020, the Company entered into a share exchange agreement ("the agreement"), subsequently amended, with Allante for the same terms as the letter agreement dated June 7, 2019. Pursuant to the agreement, the Company agreed to settle debt in the aggregate amount of up to $320,000 to a company controlled by Joe DeVries, President of Allante by issuing up to 2,666,666 common shares immediately after closing.

## 13. SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the Company:

i) issued 27,031,466 units at $0.12 per unit for gross proceeds of $3,243,776. Each unit consisted of a common share and warrant exercisable into a common share at a price of $0.20 until July 27, 2025. In connection with the issuance, the Company paid aggregate finder's fees consisting of $237,742 in cash and issued 1,981,182 non-transferrable finder's warrants (each, a "Finder's Warrant"). Each Finder's Warrant entitles the holder thereof to purchase one Common Share at a price of $0.20 for a period of 24 months from the date of issuance.

ii) in connection with the Going-Public Transaction (Note 12), the Company completed the minimum financing (see (i) above) and issued 2,666,666 common shares to the former President and CEO of Allante in full and final satisfaction of the Allante indebtedness of $320,000 and issued 14,675,595 common shares valued at $1,761,071 to Gold Springs to maintain its 30% pro-rata interest rights per the share exchange agreement. The Company also issued a special warrant whereby Gold Springs will be entitled to receive up to an additional 24,446,702 common shares upon the deemed exercise of the special warrant. The special warrants will be deemed to be exercised on a proportionate basis at the time the Company's warrants are exercised.